

Appendix 12

Insurance Closings

Table of Contents

Appendix Number	Title	Page
12A	Closing Lists	12-2
12B.1	Owner-Architect Agreement	12-21
12B.2	Amendment to AIA Document B181, Standard Form of Agreement Between Owner and Architect for Housing Services	12-23
12C	Certification of Architectural/Engineering Fees	12-26
12D	Specimen – Third Party Oblige Certification	12-27
12E	Initial Endorsement Document Review – Architectural and Cost	12-28
12F	Initial Endorsement Document Review – Mortgage Credit	12-37
12G	Initial Endorsement Document Review – Valuation	12-46
12H	Initial Endorsement Document Review – Housing Programs	12-51
12I	Secondary Financing Rider	12-54

Closing Lists**12-A****U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****SECTION 221 d 4 INITIAL**

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:

- ___ 1. Attendance List
- ___ 2. Commitment (form HUD-92432), Amendment or Assignment, if any 3
- ___ 3. Mortgagor's Organizational Documents C & 2
 - ___ a. Corporate Mortgagor
 - (i) Articles of Incorporation
 - (ii) Code of Regulations
 - (iii) Certificate of Good Standing dated within 30 days of closing
 - (iv) Incumbency Certificate
 - (v) Resolution who can sign closing documents
 - ___ b. Partnership Mortgagor
 - (i) Partnership Agreement
 - (ii) Certificate of Partnership
 - (iii) Full Force & Effect Certificate dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
 - ___ c. Limited Liability Company Mortgagor
 - (i) Articles of Organization
 - (ii) Operating Agreement
 - (iii) Certificate of Continued Existence dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)' Organizational Documents (same as Exhibit 3), if applicable C & 2
- ___ 5. Regulatory Agreement O & 2
- ___ 6. Mortgage Note 3
- ___ 7. Mortgage Deed 3

___ 8.	Security Agreement.....	3
	a. Financing Statement (UCC-1)	
	b. Financing Statement (UCC-1)	
___ 9.	1992 ALTA Title Insurance Loan Policy.....	3
	a. ALTA Form 8.1 Environmental Endorsement	
	b. ALTA Form 9 Comprehensive Endorsement	
	c. Copies of all exception documents	
___ 10.	Survey Plat dated within 90 days of closing	3
___ 11.	Surveyor's Report dated within 30 days of closing (Form HUD-92457)	O & 2
___ 12.	Evidence of Zoning Compliance.....	O & 2
___ 13.	Building Permit(s).....	3
___ 14.	Notice of Commencement dated within 30 days of closing, if applicable	3
___ 15.	Assurance of Utility Services Letters.....	0 & 2
	___ a. Water ___ d. Sanitary Sewer	
	___ b. Electricity ___ e. Storm Sewer	
	___ c. Gas ___ f. Telephone	
___ 16.	Building Loan Agreement (Form HUD-92441).....	O & 2
	a. Exhibit A Property Description	
	b. Exhibit B Contractor's and/or Mortgagor's Cost Breakdown (Form HUD-92328)	
___ 17.	Construction Contract:	O & 2
	a. Lump Sum (Form HUD-92442) or	
	b. Cost Plus (Form HUD-92442-A) and	
	c. Incentive Payment (Form HUD 92443)	
	d. Identity of Interest Amendment (Chapter ___)	
	e. Exhibit A Contractor's and/or Mortgagor's Cost Breakdown (Form HUD 92328)	
___ 18.	Contractor's Certification of Labor Standards and Prevailing Wage Standards	O & 2
___ 19.	Assurance of Completion for On-Site Improvements:	O & 2
	a. Performance Bond-Dual Obligee (Form FHA-2452) and	
	b. Payment Bond (Form HUD-92452-A)	
	c. Facsimile from surety main office confirming power of attorney, or	
	d. Completion Assurance Agreement (Form HUD-92450)	
___ 20.	Owner-Architect Agreement HUD Amendment (AIA Document B181) and	3

___ 21.	Certification of Architectural/ Engineering Fees	O & 2
___ 22.	Mortgagor's and Architect's Certificate of Payment (Form HUD-92403-1).....	O & 2
___ 23.	Assurance of Completion of Off-Site Improvements, if Applicable:.....	O & 2
	a. Escrow Agreement for Off-Site Facilities with Schedule "A", (Form FHA-2446) and	
	b. Off-Site Bond (Form FHA 2479), if required	
	c. Building Permit, if required	
___ 24.	Assurance of Funds to meet Operating Deficit (Form FHA-2476 or HUD-92476A), if applicable.....	O & 2
___ 25.	Mortgagee's Certificate (Form FHA-2434).....	O & 2
___ 26.	Mortgagor's Certificate (Form FHA-2433).....	O & 2
___ 27.	Mortgagor's Oath (Form FHA-2478)	O & 2
___ 28.	Equal Employment Opportunity Certification (FORM HUD 92010)	O & 2
___ 29.	Title VI Assurance of Compliance (Form HUD-4190)	O & 2
___ 30.	Mortgagor's Byrd Amendment Certificate	O & 2
___ 31.	Mortgagee's Byrd Amendment Certificate	O & 2
___ 32.	Mortgagor's Low Income Housing Tax Credit Program Certification.....	O & 2
___ 33.	Mortgagor's Attorney's Opinion.....	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___ 34.	Agreement and Certification (Form HUD-3305).....	O & 2
___ 35.	Application for Insurance of Advance of Mortgage	O & 4
	a. Proceeds (Form HUD-92403) and Contractor's	
	b. Requisition (HUD-92448), if applicable	

-
- ___ 36. Permanent Lender's Assurance of Permanent Financing (Chapter ___) O & 2
- ___ 37. All Special Conditions of Firm Commitment (Form HUD-92432)..... O & 2
- ___ () Previous Participation Certificate (Form FHA-2530)
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ 38. Inspection fee check, if applicable
- ___ 39. Mortgage Insurance Premium (MIP) check
- ___ 40. State and local requirements O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 221d4 FINAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:

Copies:

___ 1.	Attendance List	3
___ 2.	Increased Note, if applicable	3
___ 3.	Increased Mortgage, if applicable	3
___ 4.	a. Consolidation Agreement, or	3
	b. New Note and New Mortgage for Total Amount, if applicable	
___ 5.	Modification Agreement, if applicable	3
___ 6.	Mortgagor's Attorney's Opinion as to increase, if any	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___ 7.	Title Insurance Policy Final Endorsement	3
___ 8.	As-Built Survey dated within 90 days of closing.....	3
___ 9.	Surveyor's report (Form HUD-92457) dated within 30 days of closing	O & 2
___ 10.	Certificate of Occupancy	3
___ 11.	Mortgagee's letter indicating all payments are current, if applicable	O & 2
___ 12.	Application for Insurance of Advance of Mortgage Proceeds (Form HUD-92403).....	O & 4
___ 13.	Contractor's Requisition (Form FHA-2448)with Contractor's Prevailing Wage Certificate	O & 2
___ 14.	Request for Final Endorsement of Credit Instrument (Form HUD-92023)	O & 2
___ 15.	Escrow Deposit Agreement, if applicable (Form HUD-2456)	O & 2

___	16.	All Special Conditions of Maximum Insurable Mortgage (Form-92580).....	O & 2
___		()	
___		()	
___		()	
___		()	
___		()	
___		()	
___		()	
___		()	
___	17.	Note Endorsement Panel	3
___	18.	Mortgage Insurance Premium (MIP) check for mortgage increase only, if applicable...	3
___	19.	Special state and local requirements	3
___	20.	Security Agreement and UCC-1, if not obtained at initial closing	3
___	21.	2 ½ % Latent Defects Guarantee (if initial assurance was in cash)	3

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 232 INITIAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

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 - (v) Resolution who can sign closing documents
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 - (i) Partnership Agreement
 - (ii) Certificate of Partnership
 - (iii) Full Force & Effect Certificate dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
 - ___ c. Limited Liability Company Mortgagor
 - (i) Articles of Organization
 - (ii) Operating Agreement
 - (iii) Certificate of Continued Existence dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)' Organizational Documents, if applicable C & 2
- ___ 5. Lessee Operator's Organizational Documents, if applicable C & 2
- ___ 6. Certificate of Need 3
- ___ 7. Regulatory Agreement and Addendum (Mortgagor) O & 2
- ___ 8. Mortgage Note 3
- ___ 9. Mortgage Deed and Addendum 3

___ 10.	Security Agreement and Addendum	3
a.	Financing Statement (UCC-1)	
b.	Financing Statement (UCC-2)	
___ 11.	Lease to Operator, if applicable	3
___ 12.	Regulatory Agreement (Form HUD-92466-NHL) and Addendum (Operator/Lessee), if applicable	O & 2
___ 13.	1992 ALTA Title Insurance Loan Policy	3
a.	ALTA Form 8.1 Environmental Endorsement	
b.	ALTA Form 9 Comprehensive Endorsement	
c.	Copies of all exception documents	
___ 14.	Survey Plat dated within 90 days of closing	3
___ 15.	Surveyor's Report dated within 30 days of closing (Form HUD-92457)	O & 2
___ 16.	Evidence of Zoning Compliance.....	O & 2
___ 17.	Building Permit(s).....	3
___ 18.	Notice of Commencement	3
___ 19.	Assurance of Utility Services Letters dated within 30 days of closing	O & 2
___ a.	Water	
___ b.	Electricity	
___ c.	Gas	
___ d.	Sanitary Sewer	
___ e.	Storm Sewer	
___ f.	Telephone	
___ 20.	Building Loan Agreement (Form HUD-92441)	O & 2
a.	Exhibit A Property Description	
b.	Exhibit B Contractor's and/or Mortgagor's Cost Breakdown (Form HUD-92328)	
___ 21.	Construction Contract:	O & 2
a.	Lump Sum (Form HUD-92442) or	
b.	Cost Plus (Form HUD-92442-A) and	
c.	Incentive Payment (Form HUD 92443)	
d.	Identity of Interest Amendment	
e.	Exhibit A Contractor's and/or Mortgagor's Cost Breakdown (Form HUD 92328)	
___ 22.	Contractor's Certification of Labor Standards and Prevailing Wage Standards	O & 2
___ 23.	Assurance of Completion for On-Site Improvements:	O & 2
a.	Performance Bond-Dual Obligee (Form FHA-2452) and	
b.	Payment Bond (Form HUD-92452-A)	

	c.	Facsimile from surety main office confirming power of attorney, or	
	d.	Completion Assurance Agreement (Form HUD-92450)	
___ 24.		Owner-Architect Agreement (AIA Document B181) and HUD Amendment (App. __)	3
___ 25.		Certification of Architectural/ Engineering Fees (Chapter)	O & 2
___ 26.		Mortgagor's and Architect's Certificate of Payment (Form HUD-92403-1)	O & 2
___ 7.		Assurance of Completion of Off-Site Improvements, if Applicable	O & 2
	a.	Escrow Agreement for Off-Site Facilities (Form FHA-2446) with Schedule "A", and	
	b.	Off-Site Bond (Form FHA 2479), if required	
	c.	Building Permit, if required	
___ 28.		Assurance of Funds to meet Operating Deficit (Form FHA-2476 or HUD-92476A), if applicable	O & 2
___ 29.		Escrow for Non-realty Equipment, if applicable	O & 2
___ 30.		Mortgagee's Certificate (Form FHA-2434)	O & 2
___ 31.		Mortgagor's Certificate (Form FHA-2433)	O & 2
___ 32.		Mortgagor's Oath (Form FHA-2478)	O & 2
___ 33.		Equal Employment Opportunity Certification (Form HUD-92010)	O & 2
___ 34.		Title VI Assurance of Compliance (Form HUD-4190)	O & 2
___ 35.		Mortgagor's Byrd Amendment Certificate	O & 2
___ 36.		Mortgagee's Byrd Amendment Certificate	O & 2
___ 37.		Lessee's Byrd Amendment Certificate, if applicable	O & 2
___ 38.		Guaranty Agreement, if applicable	O & 2
___ 39.		Mortgagor's Sinking Fund, if applicable	O & 2
___ 40.		Mortgagor's Attorney's Opinion	O & 2
	a.	Exhibit A - legal description	
	b.	Exhibit B - Mortgagor Certification	
	c.	Exhibit C - Good Standing Certificate	
___ 41.		Agreement and Certification (Form HUD-3305)	O & 2

-
- ___ 42. Application for Insurance of Advance of Mortgage Proceeds (Form HUD-92403) and Contractor's Requisition (HUD-92448), if applicable O & 4
- ___ 43. Permanent Lender's Assurance of Permanent Financing (HB 4470.1, REV-2, Section 5-1)..... O & 2
- ___ 44. All Special Conditions of Firm Commitment (Form HUD-92432)..... O & 2
- ___ () Previous Participation Certificate (Form FHA-2530)
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ 45. Inspection fee check, if applicable O
- ___ 46. Mortgage Insurance Premium (MIP) check O
- ___ 47. Special state and local requirements O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 232 FINAL

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

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Documents:

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___ 1.	Attendance List	
___ 2.	Increased Note, if applicable.....	3
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___ 4.	a. Consolidation Agreement, or	3
	b. New Note and New Mortgage for Total Amount, if applicable	
___ 5.	Modification Agreement, if applicable	3
___ 6.	Mortgagor's Attorney's Opinion as to increase, if applicable	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___ 7.	Operating License	3
___ 8.	Title Insurance Policy Final Endorsement	3
___ 9.	As-Built Survey dated within 90 days of closing	
___ 10.	Surveyor's report (Form HUD-92457) dated within 30 days of closing	O & 2
___ 11.	Certificate of Occupancy.....	3
___ 12.	Mortgagee's letter indicating all payments are current, if applicable	O & 2
___ 13.	Application for Insurance of Advance of Mortgage Proceeds (Form HUD-92403)	O & 4
___ 14.	Contractor's Requisition with Contractor's Prevailing Wage Certificate (Form FHA-2448)	O & 2

-
- ___ 15. Request for Final Endorsement of Credit Instrument if applicable
(Form HUD-92023) O & 2
- ___ 16. Escrow Deposit Agreement (Form HUD-2456) O & 2
- ___ 17. All Special Conditions of Maximum Insurable mortgage (FORM HUD-92580)..... O & 2
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ ()
- ___ 18. Note Endorsement Panel 3
- ___ 19. Mortgage Insurance Premium (MIP) check for mortgage increase only,
if applicable..... O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 223f

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below

Documents:

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- ___ 1. Attendance List
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 - (v) Resolution who can sign closing documents
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 - (i) Partnership Agreement
 - (ii) Certificate of Partnership
 - (iii) Full Force & Effect Certificate dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
 - ___ c. Limited Liability Company Mortgagor
 - (i) Articles of Organization
 - (ii) Operating Agreement
 - (iii) Certificate of Continued Existence dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)' Organizational Documents, if applicable..... C & 2
- ___ 5. Regulatory Agreement O & 2
- ___ 6. Mortgage Note 3
- ___ 7. Mortgage Deed 3
- ___ 8. Security Agreement..... 3
 - a. Financing Statement (UCC-1)
 - b. Financing Statement (UCC-2)
 - c. Financing Statement (UCC-2)

___ 9.	1992 ALTA Title Insurance Loan Policy	3
	a. ALTA Form 8.1 Environmental Endorsement	
	b. ALTA Form 9 Comprehensive Endorsement	
	c. Copies of all exception documents	
___ 10.	Survey Plat dated within 90 days of closing	3
___ 11.	Surveyor's Report dated within 30 days of closing (Form HUD-92457)	O & 2
___ 12.	Evidence of Zoning Compliance.....	O & 2
___ 13.	Evidence of Compliance with local housing and building Codes	3
___ 14.	Mortgagor's Oath (Form FHA-2478).....	O & 2
___ 15.	Equal Employment Opportunity Certification (Form HUD-92010)	O & 2
___ 16.	Title VI Assurance of Compliance (Form HUD-4190)	O & 2
___ 17.	Mortgagor's Byrd Amendment Certificate	O & 2
___ 18.	Mortgagee's Byrd Amendment Certificate	O & 2
___ 19.	Mortgagor's Low Income Housing Tax Credit Program Certification	O & 2
___ 20.	Mortgagor's Attorney's Opinion.....	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___ 21.	Agreement and Certification(Form HUD-3305).....	O & 2
___ 22.	Mortgagee's Current Payment Letter, if applicable	O & 2
___ 23.	Request for Endorsement of Credit Instrument, Certificate of Mortgagee, Mortgagor (Form FHA-2455).....	O & 2
___ 24.	Permanent Lender's Assurance of Permanent Financing	O & 2
___ 25.	Escrow Agreement for Non-Critical Repairs (Form HUD-92476.1), if applicable.....	O & 2
___ 26.	All Special Conditions of Firm Commitment Form HUD-92432).....	O & 2
	___ () Previous Participation Certificate (Form FHA-2530)	
	___ () Short Form Cost Certification (Form FHA-2205)	
	___ () Certified Closing Statement	

___ () Certification Regarding Tenants' Security Deposits	
___ 27. Inspection fee check, if applicable	0
___ 28. Mortgage Insurance Premium (MIP) check	0
___ 29. Secondary financing and UCC1	3
___ 30. Patent Defects Guarantee	
___ 31. State and/or Local Requirements	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**SECTION 232/223 f**

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

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- ___ 2. Commitment, Amendment or Assignment, if any 3
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 - (ii) Code of Regulations
 - (iii) Certificate of Good Standing dated within 30 days of closing
 - ___ b. Partnership Mortgagor
 - (i) Partnership Agreement
 - (ii) Certificate of Partnership
 - (iii) Full Force & Effect Certificate dated within 30 days of closing
 - (iv) Resolution who can sign all closing documents
 - ___ c. Limited Liability Company Mortgagor
 - (i) Articles of Organization
 - (ii) Operating Agreement
 - (iii) Certificate of Continued Existence dated within 30 days of closing
 - (iv) Resolution who can sign closing documents
- ___ 4. Mortgagor General Partner(s)' Organizational Documents, if applicable C & 2
- ___ 5. Lessee Operator's Organizational Documents, if applicable 3
- ___ 6. Regulatory Agreement and Addendum (Mortgagor) O & 2
- ___ 7. Regulatory Agreement and Addendum (Operator/Lessee), if applicable O & 2
- ___ 8. Mortgage Note 3
- ___ 9. Mortgage Deed and Addendum 3
- ___ 10. Security Agreement and Addendum 3

	a. Financing Statement (UCC-1) and Addendum	
	b. Financing Statement (UCC-2) and Addendum	
	c. Financing Statement (UCC-2) and Addendum	
___ 11.	Lease to Operator, if applicable	3
___ 12.	Nursing Home License.....	3
___ 13.	1992 ALTA Title Insurance Loan Policy	3
___ 14.	Survey Plat dated within 90 days of closing	3
___ 15.	Surveyor's Report dated within 30 days of closing (Form HUD-92457)	O & 2
___ 16.	Evidence of Zoning Compliance.....	O & 2
___ 17.	Evidence of Compliance with local housing and building Codes	3
___ 18.	Mortgagor's Oath (Form FHA-2478)	O & 2
___ 19.	Equal Employment Opportunity Certification (Form HUD-92010).....	O & 2
___ 20.	Title VI Assurance of Compliance (Form HUD-4190)	O & 2
___ 21.	Mortgagor's Byrd Amendment Certificate	O & 2
___ 22.	Mortgagee's Byrd Amendment Certificate	O & 2
___ 23.	Operator/Lessee's Byrd Amendment Certificate, if applicable	O & 2
___ 24.	Mortgagor's Low Income Housing Tax Credit Program Certification.....	O & 2
___ 25.	Mortgagor's Attorney's Opinion.....	O & 2
	a. Exhibit A - legal description	
	b. Exhibit B - Mortgagor Certification	
	c. Exhibit C - Good Standing Certificate	
___ 26.	Agreement and Certification (Form HUD-3305).....	O & 2
___ 27.	Mortgagee's Current Payment Letter	O & 2
___ 28.	Mortgagor's Sinking Fund, if applicable.....	O & 2
___ 29.	Request for Endorsement of Credit Instrument, Certificate of Mortgagee, Mortgagor (Form FHA-2455).....	O & 2
___ 30.	Lender letter regarding permanent financing	O & 2

- ___ 31. All Special Conditions of Firm Commitment (Form HUD-92432)..... O & 2
___ () Previous Participation Certificate (Form FHA-2530)
___ () Short Form Cost Certification (Form FHA-2205)
___ () Certified Closing Statement
___ () Certification Regarding Tenants' Security Deposits
- ___ 32. Inspection fee check, if applicable O
- ___ 33. Mortgage Insurance Premium (MIP) check O

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**TAX-EXEMPT BONDS AND/OR LIHTC SUPPLEMENTAL INITIAL**

PROJECT NAME: _____

FHA PROJECT NUMBER: _____

The HUD closing attorney will obtain THREE copies of all closing documents unless otherwise noted below. These will be Originals (O) or Certified Copies (C) as indicated below.

Documents:

Copies:

**TAX-EXEMPT BONDS
SUPPLEMENTAL INITIAL CLOSING REQUIREMENTS**

- ___ 1. Mortgagor's Attorney's Opinion.....3
- ___ 2. Mortgagee's Attorney's Opinion3
- ___ 3. Bond Counsel Opinion.....3
- ___ 4. Land Use Restriction or Tax Regulatory Agreement

**LOW-INCOM HOUSING TAX CREDITS
SUPPLEMENTAL INITIAL CLOSING REQUIREMENTS**

- ___ 1. Mortgagor's Attorney's Opinion.....3
- ___ 2. Special Deed Covenant3

Owner-Architect Agreement**12-B1**

- A. The Owner-Architect Agreement must be on AIA Document B181 Standard Form Of Agreement Between Owner and Architect for Housing Services.
- B. Architect is any architect, engineer or designer that:
 - 1. Is registered to provide the proposed project services in the State in which the project is located.
 - 2. Serves as a prime architect, i.e., provides directly to the Owner any or all of the basic architectural services.
- C. Multiple Prime Architects exist when the owner contracts directly with two or more architects to provide the basic architectural services.
 - 1. Require separate Owner-Architect Agreements for each prime architect. Each must clearly define the specific services covered and fees.
 - a. Modify the standard services, where applicable, in Article 10, or at the applicable Article.
 - b. Basic fees must be a lump sum, i.e., fixed price.
 - 2. Separate design and supervisory architects are acceptable. Where a separate architect is employed for construction phase services, the Owner-Architect Agreement for the supervisory architect must be submitted 15 days before initial closing. A separate Owner-Architect Agreements for the supervisory and design architect(s) must be shown in the construction contract for the respective services.
- D. Supervisory Architect may not have an identity of interest, as defined in **Appendix ____** with the mortgagor or contractor. The HUD addendum to the Owner-Architect Agreement, **Appendix ____**, must be included as a contract rider and no identities of interest may be listed.
- E. Owner Furnished Services for land surveys, geotechnical reports, lead-based paint hazard testing, and similar specialty engineering and laboratory services that are not basic architectural services need not be contracted through use of AIA Document B181.
- F. Fee Claims.
 - 1. The mortgagor must certify that there are no unpaid fees or claims for architectural, engineering, testing, or related services performed for the project by other than those identified on the certification and in the amount shown.

2. Article 9.6 of the 1994 version of the Owner-Architect Agreement supersedes any agreement or arrangement between the mortgagor and architect(s) of record predating contract execution, and must not be voided.

G. Fee Payment must be made as follows:

1. Design and design related services must be paid before or at initial closing. If the fee for such services is in dispute at the time of initial closing, the mortgagor may post a cash escrow with the mortgagee in the full amount of any disputed claim or in such lesser amount acceptable to the Field Office Manager. The full amount to be set aside in the cash escrow will equal the lesser of (1) the amount claimed by the design architect or (2) the amount set out in the commitment for architectural services.
2. Supervisory services payment must be based upon the monthly work progress, and may not exceed a rate equal to the percentage of project completion.
3. The Owner-Architect Agreement must separately identify the fee for design and supervisory services, where both are provided by the same entity.

H. Mortgagor's and Architect's Certificate, Form HUD-92403-1, must be executed at or before initial endorsement for each prime design professional. Draws in the Application for Insurance of Advance of Mortgage Proceeds, Form HUD-92403, exceeding the amount certified on Form HUD-92403-1 will not be approved.

- I. If anything other than "non applicable" is inserted into sections 11.3, 11.5.1, or 11.5.2 of the owner-architect agreement, language must be added that the architect agrees that neither mortgage proceeds nor project funds (other than surplus cash) can be a source of payment and that the architect will not assert a lien against the project for non-payment.

**Amendment to AIA Document B181, Standard Form of Agreement
Between Owner and Architect for Housing Services****12-B2**

The provisions of this Amendment supersede and void all inconsistent provisions between the Amendment and the Agreement .

1. Definition of terms used in this Amendment.
 - a. Agreement. AIA Document B181, Standard Form of Agreement Between Owner and Architect for Housing Services.
 - b. HUD. The U. S. Department of Housing and Urban Development.
 - c. Owner. The Mortgagor/Owner.
 - d. Subcontractor. Any Project subcontractor, materials supplier, equipment lessor or industrialized housing manufacturer/supplier.
2. The Owner and the Architect represent that they are familiar with HUD requirements, including the Minimum Property Standards, Fair Housing Accessibility Guidelines, Uniform Federal Accessibility Standards, and architectural requirements of this Guide (See Chapter _____), as set forth in publications given to then by HUD for this Project and will perform all services in accordance with the applicable requirements of HUD.
3. No portion of the Architect's services and responsibilities or the Owner's responsibilities shall be assigned, transferred or delegated to anyone not acceptable to HUD.
4. The Architect shall advise HUD as well as the owner of any omissions, substitutions, defects, and deficiencies observed in the work of the Contractor.
5. The Architect shall issue Certificates of Payment and Certificates of Substantial Completion in the form prescribed by HUD.
6. The Architect shall furnish copies of all Architect's Supplemental Instructions to the owner, Mortgagee and HUD.
7. If the project for which the drawings and specifications prepared by the Architect has not been completed and there is a default or foreclosure, the Mortgagee or HUD may use the drawings and specifications to complete construction of the project without additional cost.
8. The Agreement shall not be terminated without 5 days prior written notice to the Mortgagee and HUD.

9. The Owner and the Architect recognize the interest of the Mortgagee and HUD and that any action or determination by either the Owner or the Architect is subject to acceptance or rejection by the Mortgagee and by HUD.
10. The Owner and the Architect shall recognize as a valid reason for termination, any request by HUD for termination because of inadequate performance, undue delay or misrepresentation which may make the further services of the Architect unacceptable to HUD.
11. The Architect administering the Construction Contract may not have an identity of interest with the Owner, Contractor, and/or any Project subcontractor. An identity of interest is construed to exist where:
 - a. The Architect has any financial interest in the Project other than the fee for professional service.
 - b. The Architect advances any funds to the Owner, Contractor and/or any subcontractor; and/or the Contractor and/or any subcontractor advance any funds to the Architect.
 - c. The Architect has any financial interest in the Owner, Contractor and/or any subcontractor; or the Owner, Contractor and/or any subcontractor has any financial interest in the Architect.
 - d. Any officer, director, stockholder or partner of the Architect has any financial interest in the owner, Contractor and/or any subcontractor; or any officer, director, stockholder or partner of the Owner, Contractor and/or any subcontractor has any financial interest in the Architect.
 - e. Any officer, director, stockholder or partner of the Architect is also an officer, director, stockholder or partner of the Owner, Contractor, and/or any subcontractor; or any officer, director, stockholder or partner of the Owner, Contractor and/or subcontractor is also an officer, director, stockholder, or partner of the Architect.
 - f. The Owner, Contractor and/or any subcontractor, or any officer, director, stockholder or partner of such Owner, Contractor and/or subcontractor provides any of the required architectural services; or where the Owner, Contractor and/or any subcontractor, or any officer, director, stockholder or partner of such Owner, Contractor and/or subcontractor, while not directly providing an architectural service, acts as a consultant to the Architect.
 - g. Any family relationships between the officers, directors, stockholders, or partners of the Architect and officers, directors, stockholders or partners of the Owner, Contractor, and/or any subcontractor; or between the officers, directors, stockholders or partners of the Owner, Contractor, and/or any subcontractor and officers, directors, stockholders, or partners of the Architect that could cause or result in control or influence over prices paid to the Architect and/or performance by the Architect.

- h. Any side deal, agreement, contract or undertaking, thereby altering, amending, or canceling any of the required closing documents, except as approved by HUD.
12. All identities of interest known to exist between the Architect and the Owner, Contractor and/or any subcontractor are listed herein. The Architect and owner shall each inform HUD in writing within 5 working days of its knowledge of any identity of interest that develops after execution of this Agreement.

List All Identities of Interest:

OWNER

ARCHITECT

DATE _____

DATE _____

WARNING: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years or both.

Certification of Architectural/Engineering Fees**12-C**

TO: Assistant Secretary-Federal Housing Commissioner

C/O _____

Dear

The undersigned hereby certifies that all architectural, engineering, drafting, land surveyor, testing, laboratory and related services fees and fee balances for the analysis of the property, preparation of reports, and for the project design and preparation of plans and specifications have been fully paid, except as listed below. The undersigned further certifies that there are no other disputed or undisputed claims for such services.

FIRM _____
 SERVICE _____
 FEE _____
 BALANCE _____

FIRM _____
 SERVICE _____
 FEE _____
 BALANCE _____

FIRM _____
 SERVICE _____
 FEE _____
 BALANCE _____

FIRM _____
 SERVICE _____
 FEE _____
 BALANCE _____

Date _____

 MORTGAGOR

Attested By: _____

 Title

WARNING: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years or both.

Specimen – Third Party Oblige Certification**12-D**

(Hub Director)

Dear:

The undersigned hereby certifies that under an agreement dated _____ between the undersigned and _____ a discount or other financing charge of \$ _____ in addition to the initial service charge will be paid by _____. The undersigned does not now have and will not later assert, any claim against the mortgagor, mortgaged property, mortgage proceeds, any reserve or deposit made with the undersigned or another required by HUD in connection with the mortgage transaction, or against the rents or other income from the mortgaged property for payment of any part of such discount.

Date _____
Mortgagee

Attest _____ By _____

Title

The undersigned does not now have and will not later assert, any claim against the mortgagor, mortgaged property, mortgage proceeds, any reserve or deposit made with the undersigned or another required by HUD in connection with the mortgage transaction, or against the rents or other income from the mortgaged property for payment of any part of such discount.

Signed _____

Attest _____ Date _____

Initial Endorsement Document Review – Architectural and Cost**12-E**

PROJECT NAME: _____

PROJECT NUMBER: _____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

PART I, ARCHITECTURAL ANALYST REVIEW

	Yes	No	N/A
1. Request for Permission to commence Construction Prior to Initial Endorsement for Mortgage Insurance, Form FHA-2415, was executed.	___	___	___
If, yes			
a. Construction started and has been continuous.	___	___	___
If yes, construction started _____			
If no, comment: _____			
b. Additive or deductive change orders are in process or known to be proposed.	___	___	___
If yes, comment: _____			
c. No known problems, e.g.: nonpayment for work or material; liens; latent conditions; errors in the survey, drawings or specifications; wet site, strike, materials shortage, or other conditions delaying continued work; municipal stop order, other sanctions or requirements for additional work; contractor or subcontractor disputes, etc.	___	___	___
If yes, comment: _____			
d. Comments: _____			

2. Building Permits are for the proposed improvements, acceptable, unconditional, and current.	___	___	___
If no, comment: _____			

	Yes	No	N/A
3. Jurisdictional authority has given its stamp or permit, where applicable, for: storm water disposal, private water supply and sewage treatment/disposal facilities.	—	—	—
If no, comment: _____			
4. Assurance of Utilities	—	—	—
a. Water service letter is unconditional and reasonable in its currency.			
If no, comment: _____			
b. Sanitary sewer service letter is unconditional and is reasonable in its currency.	—	—	—
If no, comment: _____			
c. Electric service letter is unconditional and is reasonable in its currency.	—	—	—
If no, comment: _____			
d. Gas service letter is unconditional and is reasonable in its currency.	—	—	—
If no, comment: _____			
e. District heat letter is unconditional and is reasonable in its currency.	—	—	—
If no, comment: _____			
f. Telephone service letter is unconditional and is reasonable in its currency.	—	—	—
If no, comment: _____			
g. Cable TV letter is unconditional and is reasonable in its currency.	—	—	—
If no, comment: _____			
5. Survey, Surveyor's Certificate and Title Policy.			
a. The title policy/endorsement matches the legal description on the survey.	—	—	—
If no, comment: _____			
b. Easements, encroachments and other title policy/endorsement Schedule B identified exceptions are consistent with and between the plat for recordation/survey, surveyor's certificate, site plan and other drawings.	—	—	—

	Yes	No	N/A
If no, comment: _____ _____			
c. Easements across other sites for project driveways, drainage outfalls, etc., are acceptably reflected in plats for recordation, and covered by maintenance agreements where used jointly with others.	—	—	—
If yes, identify: _____ _____			
If no, comment: _____ _____			
d. The Surveyor's Certificate is dated and is acceptable.	—	—	—
If no, comment: _____ _____			
e. The last Survey revision date is _____ and the survey is acceptable.	—	—	—
If no, comment: _____ _____			
f. Air rights map applies.	—	—	—
If yes:			
1) It provides vertical ways to grade for vertical transportation, emergency exits, utilities, trash chutes, etc.			
If no, comment: _____ _____			
2) It provides necessary easements for exterior and interior ingress and egress, emergency exit discharge, services, maintenance, etc.	—	—	—
If no, comment: _____ _____			
3) Maintenance agreements cover all facilities jointly used with others.	—	—	—
If yes, identify: _____ _____			
If no, comment: _____ _____			
6. Construction Documents.			
a. The drawings and specifications, including drawing dates and revision dates, conform with those accepted for firm commitment.	—	—	—
If no:			
1) Revisions are minor, dictated by issues arising after firm, and don't affect construction costs or project value.	—	—	—
	Yes	No	N/A

If no, comment: _____

- 2) Revised sheets and pages have been inserted in the drawings and specifications and are acceptable.

If no, comment: _____

- 3) Addenda and attachments required for changes from the firm commitment drawings and specifications are included in the project manual. _____

If yes, they are numbered _____
and dated _____

If no, comment: _____

- 4) Reprocessing is required, due to changes from the drawings and specifications upon which the commitment was issued. _____

If yes, comment: _____

- 5) Comments: _____

- b. The Master Set and Sets 2 and 3 are signed and initialed per Handbook 4460.1 REV-1.

If no, comment: _____

- c. The correct wage decision is incorporated in the project manual. _____

If no, the following are required: _____

- d. The wage rate is a special determination. _____

If yes, expiration date is: _____

7. Construction Contract

- a. Drawing sheets, specification pages, and if applicable, addenda numbers and pages, are properly identified. _____

If no, the corrected list/index is attached.

- b. The design architect(s) and supervisory architect are correctly listed. _____

If no, comment: _____

Yes No N/A

<p>c. The amendment to the construction contract for Identities of Interest Between the Contractor, Owner and Architect is attached.</p> <p>If no, comment: _____</p> <p>_____</p>	<p>— — —</p>
<p>d. The amendment to the construction contract for Payment for Components Stored Offsite, if applicable, is attached.</p> <p>If no, comment: _____</p> <p>_____</p>	<p>— — —</p>
<p>8. Offsite work is involved.</p> <p>If yes:</p> <p>a. The municipal jurisdiction's installation assurance letter is unconditional and reasonable in its currency.</p> <p>If no, comment: _____</p> <p>_____</p> <p>If N/A, completion assurance is required for the following:</p> <p>_____</p> <p>_____</p>	<p>— — —</p>
<p>b. Construction contract(s) is/are acceptable.</p> <p>If yes, identify the contract(s) and work:</p> <p>_____</p> <p>_____</p> <p>If no, comment: _____</p> <p>_____</p>	<p>— — —</p>
<p>c. Drawings and specifications are:</p> <p>1) Included in the construction documents for on-site work and are acceptably segregated by contract limit lines and divisions of the specifications.</p> <p>If no, comment: _____</p> <p>_____</p> <p>2) Included in separate drawings and specifications from on-site work.</p> <p>If yes, identify: _____</p> <p>_____</p> <p>_____</p> <p>3) Comment: _____</p> <p>_____</p> <p>_____</p>	<p>— — —</p> <p>— — —</p>
	<p>Yes No N/A</p>
<p>9. Owner/Architect Agreement(s)</p>	

- a. The prime architect(s) is/are:
 DESIGN _____

 SUP _____

- b. There is an agreement, B-181, for each prime architect. _____
 If no, comment: _____

- c. The HUD amendment to the B-181 is referenced in Article 10 of, and attached to each Owner/Architect Agreement. _____
 If no, comment: _____

- d. Each B-181 identifies the specific services to be performed by the applicable prime architect. _____
 If no, comment: _____

- e. Article 10 is acceptable for each B-181, and all referenced appendices, addenda, etc., are attached. _____
 If no, comment: _____

- f. Addendum to Owner-Arch Agreement and/or Construction Contract show(s) an identity of interest for Supervisory Arch. _____
 If yes, comment: _____

- g. Comment: _____

10. Special Conditions of the Commitment, numbered _____, are considered in this review. Required documents have been submitted and found acceptable for them all.
- a. Special Conditions numbered _____ have not been satisfied.
 Comment: _____

Yes No N/A

b. The following documents must be submitted:

11. The list(s) of major movable equipment is/are acceptable, where applicable to Sect 221d SRO, 2311 232, and 242 projects. — — —

If no, comment: _____

12. Comment: _____

PART II, COST ANALYST REVIEW

13. Two copies of the property insurance requirements are attached and acceptable. — — —

If no, comment: _____

14. Agreement and Certification.

a. The amounts shown on the Agreement and Certification are correct. — — —

If no, the following are the correct amounts:

b. The contract, including dollar amounts for general overhead and profit has been approved for each identity of interest subcontractor listed in the Certification and Agreement and the Amendment to the Construction Contract. — — —

If no, comment: _____

15. Construction Contract.

a. A signed approved cost breakdown, Form HUD-2328, is attached as Exhibit A to the Construction Contract. — — —

If no, comment: _____

b. The Inventory and Cost Breakdown for Stored Components, if applicable, is acceptable and attached to Form HUD-2328, Exhibit A to the Construction Contract. — — —

If no, comment: _____

Yes No N/A

c. The construction contract price is correct. — — —

If no, the correct amount is _____

d. The contract completion date is correct, and if an early start, reflects Form FHA-2415 modification requirements. _____

If no, the completion date should be _____

e. The contract addendum lists identities of interest indicating the need for pre-approval of subcontractor contracts for general overhead and profit. _____

If yes, comment: _____

16. Progress Schedule agrees with the Contract time and is acceptable. _____

If no, comment: _____

17. Assurance of completion for offsite work not done by municipality is required. _____

If yes, for the following contracts and costs.

_____	\$ _____
_____	\$ _____
_____	\$ _____

18. The Mortgagor's and Architect's Certificate(s) is/are consistent with the B-181(s) for prime architects, and Other A&E Fees are reasonable. _____

If no, comment: _____

19. Special Conditions of the Commitment numbered _____, are considered in this review. Required documents have been submitted and found acceptable for them all. _____

If no:

a. Special Conditions numbered _____ have not been satisfied.
Comment: _____

b. The following documents must be submitted;

20. Major Movable Equipment is involved (applicable only to 221d SRO, 231, 232 & 242 projects) _____

If yes:

a. The instrument evidencing acquisition of equipment is acceptable. _____

	Yes	No	N/A
--	-----	----	-----

If no, comment: _____

- _____
- b. Listed chattel and values are acceptable for the Financial Statement and Security Agreement (UCC) _____

If no, comment: _____

- _____
- c. Listed chattel and values are acceptable for the Chattel Mortgage. _____

If no, comment: _____

21. Comments:

ARCHITECTURAL ANALYST

DATE

COST ANALYST

DATE

CHIEF ARCHITECTURE AND COST

DATE

Initial Endorsement Document Review – Mortgage Credit**12-F**

PROJECT NAME: _____

PROJECT NUMBER: _____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

	Yes	No	N/A
1. Request for Permission to Commence construction prior to Initial Endorsement for Mortgage Insurance, Form FHA-2415, was executed.	___	___	___
If yes:			
a. Release of liens by the contractor and subcontractors are acceptable.	___	___	___
If no, comment: _____			
b. The commitment date for the start of principal payment has been modified to reflect the early start of construction.	___	___	___
If no, comment: _____			
c. Provisions have been made to escrow funds for additive change orders approved during the early start of construction but not yet completed and/or paid.	___	___	___
If no, comment: _____			
d. Mortgagor/Contractor Agreement to recognize interest costs relating to early start submitted.	___	___	___
If no, comment: _____			
2. The request for an initial advance is acceptable and funds requested under the construction contract, including any for work under an early start, are supported by a Contractor's Requisition, Form HUD-92448.	___	___	___
If no, comment: _____			
3. 2530 Clearances.			
a. The mortgagor entity has been cleared pursuant to Form FHA-2530 procedures.	___	___	___
If no, comment and steps taken:			

	Yes	No	N/A
b. Individuals or entities shown in the corporate charter, partnership agreement or incumbency certificate have been cleared pursuant to Form FHA-2530 procedures.	—	—	—

If no:

The following need clearance:

Actions taken:

c. Individuals or entities shown on the contractor's certification have been approved pursuant to Form FHA-2530 procedures.	—	—	—
---	---	---	---

If no:

The following need clearance:

d. All architects and attorneys who have an identity of interest have been cleared pursuant to Form FHA 2530 procedures.	—	—	—
--	---	---	---

If no:

The following need clearance:

e. All identified packagers, consultants, project managers and management agents have been cleared pursuant to 2530 procedures.	—	—	—
---	---	---	---

If no:

The following need clearance:

4.Partnership Agreement:

a. Credit check, financial review and 2530 clearance are acceptable for each principal partner.	—	—	—
---	---	---	---

	Yes	No	N/A
If no, comment: _____ _____			
b. Rights and duties of each partner are acceptable.	—	—	—
If no, comment: _____ _____			
c. Capital investment made/maintained for each partner is acceptable.	—	—	—
If no, comment: _____ _____			
d. Partnership term equals or exceeds mortgage term.	—	—	—
If no, partnership term must be: _____			
e. Mortgagor is a single asset mortgagor.	—	—	—
If no, comment: _____ _____			
f. Partnership Agreement is consistent with the Regulatory Agreement.	—	—	—
If no, comment: _____ _____			
g. The partnership agreement improperly provides for the mortgagor to indemnify partners and officers against lawsuits.	—	—	—
If yes, comment: _____ _____			
h. Comments: _____ _____ _____			
5. Corporate Mortgagor.			
a. Credit check, financial review and 2530 clearance are acceptable for each principal investor.	—	—	—
If no, comment: _____ _____			
b. Mortgagor is a single asset mortgagor.	—	—	—
If no, comment: _____ _____			
c. The articles of incorporation and bylaws are consistent with the Regulatory Agreement and other documents.	—	—	—
If no, comment: _____ _____			

	Yes	No	N/A
d. The articles of incorporation and/or by-laws improperly provide for the mortgagor to indemnify board members against suits.	—	—	—
If yes, comment: _____			

6. The Agreement and certification is acceptable.	—	—	—
If no, comment: _____			

7. The amount shown in the Regulatory Agreement for the Reserve Fund for Replacements is correct.	—	—	—
If no, the correct amount is _____			
8. Construction Contract.			
a. The time for construction is correct.	—	—	—
If no, comment: _____			

b. The amount shown for liquidated damages is correct.	—	—	—
If no, the correct amount is _____			
c. The contract price agrees with the 2328.	—	—	—
If no, the correct amount is _____			
d. The cash upset amount is correct.	—	—	—
If no, the correct amount is _____			
e. The Construction Contract Incentive Payment in Article 3 is acceptable in language, amount and computation.	—	—	—
If no, comment: _____			

f. The Note amount is approved, if payment is by other than cash.	—	—	—
If no, the correct amount is _____			
g. Assurance of completion amount shown in Article 6 is correct.	—	—	—
If no, the correct amount is _____			
h. The Cost Breakdown (Form HUD-2328) has been confirmed correct by Arch/Cost.	—	—	—
If no, comment: _____			

i. The filing period for monthly advances is acceptable.	—	—	—
If no, comment: _____			

	Yes	No	N/A
j. The Amendment to the construction contract for identities of interest is attached and acceptable.	—	—	—
If no, comment: _____			

9. Advances for Components Stored Offsite are involved.	—	—	—
If yes:			
a. Corporate surety bonds are 100 percent each for performance and payment and are acceptable.	—	—	—
If no, comment: _____			

b. The Inventory and Cost Breakdown for Stored Components is attached to Form HUD-2328, Exhibit A to the Construction contract.	—	—	—
If no, comment: _____			

c. The construction contract includes the addendum for offsite storage.	—	—	—
If no, comment: _____			

10. Assurance of Completion for on-site work.			
a. The performance and payment bond(s) are for 100 percent each.	—	—	—
If no, comment: _____			

b. The bonding company, _____,			
_____,			
is acceptable to write a policy in the stated amount.			
If no, maximum policy amount is _____			
c. Completion Assurance Agreement is correct.	—	—	—
If no, the correct amount is _____			
d. Personal Undertaking, Form FHA-2459, is acceptable and in the correct amount.	—	—	—
If no, comment: _____			

e. Comment: _____			

11. The Assurance of Completion for offsite work is acceptable.	—	—	—

	Yes	No	N/A
If yes, in form of:			

If no, comment: _____			

12. Owner-Architect Agreement fees and Form HUD-92403-1 agree for each design architect.	—	—	—
If no, comment: _____			

13. The Certificate of Architectural/Engineering Fees agrees with prime architect contract fees and other A&E fee claims.	—	—	—
If no, comment: _____			

14. Mortgage Note or Rider.			
a. The interest rate is the same as shown on the commitment.	—	—	—
If no, the correct rate is _____			
b. The Mortgage amount is correct.	—	—	—
If no, the correct amount is _____			
c. The P&I is correct.	—	—	—
If no, the correct amount is _____			
d. The Commencement of Amortization date is correct.	—	—	—
If no, the correct date is _____			
e. The ending date for amortization is correct.	—	—	—
If no, the correct date is _____			
f. The Special Provisions are consistent with other reviewed documents and financing criteria.	—	—	—
If no, comment: _____			

g. Comments:			

15. Mortgage or Mortgage Modification Agreement.			
a. The interest rate is the same as shown on the commitment.	—	—	—
If no, the correct rate is _____			
b. The Mortgage amount is correct.	—	—	—
If no, the correct amount is _____			

	Yes	No	N/A
c. The P&I is correct.	—	—	—
If no, the correct amount is _____			
d. The Commencement of Amortization date is correct.	—	—	—
If no, the correct date is _____			
e. The ending date for amortization is correct.	—	—	—
If no, the correct date is _____			
f. The Special Provisions are consistent with other reviewed documents and program financing criteria.	—	—	—
If no, comment:			
g. Comments:			

16. Title Policy or Endorsement.			
a. Policy amount is _____ which equals or exceeds the mortgage.	—	—	—
If no, comment: _____			

b. The title company, _____ is acceptable for a policy in that amount.	—	—	—
If no, comment: _____			

17. The Building Loan Agreement is acceptable.	—	—	—
If no, the following changes are required:			

18. The Mortgagee's Certificate is acceptable as to fees, discounts, notes, and other terms, and agrees with firm commitment processing.	—	—	—
If no, the following changes are required:			

19. The Sponsor's Certification, Form FHA-3437, for 231 NP or 232 NP proposals is acceptable	—	—	—
If no, comment: _____			

	Yes	No	N/A
20. The Guaranty Agreement, for 12-Month Debt Service Escrow for B&C Independent Living Units is acceptable.	—	—	—
If no, comment: _____			
21. The Financial Requirements For Closing, Form FHA 2283, is attached.	—	—	—
If no, comment: _____			
22. Special Conditions of the Commitment numbered _____ are considered in this review. Required documents have been submitted and found acceptable for them all.	—	—	—
If no:			
a. Special Conditions numbered _____ have not been satisfied.			
b. The following documents must be submitted:			

c. The following actions have been taken:			

23. Mortgagor's Sinking Fund Agreement for Section 232 projects, where medicaid reimbursement based on depreciation plus interest is acceptable.	—	—	—
If no, comment: _____			

24. Major/Minor Movable Equipment is involved (applicable only to Section 221d SRO, 231, 232 and 242 projects).	—	—	—
If yes:			
a. Provisions for mortgagor to finance major and minor movable equipment are acceptable.	—	—	—
If no, comment: _____			

b. The instrument evidencing acquisition of major equipment is acceptable.	—	—	—
If no, comment: _____			

c. The Financial Statement and Security Agreement (UCC) are acceptable.	—	—	—
If no, comment: _____			

	Yes	No	N/A

d. The Chattel Mortgage is acceptable.

— — —

If no, comment: _____

25. Evidence that the mortgagor is able to finance its required minimum financial investment is acceptable.

— — —

If no, comment: _____

Mortgage Credit Examiner

Date

Note: The Hub Director is responsible for securing corrected initial draw documents directly from the mortgagee.

Initial Endorsement Document Review – Valuation**12-G**

PROJECT NAME: _____

PROJECT NUMBER: _____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

	Yes	No	N/A
1. Environmental assessment has been approved, copy attached, and all exceptions cleared.	—	—	—
If no, comment: _____			

2. Survey and Surveyor's Certificate.	—	—	—
a. The property surveyed is the same as that which was appraised.			
If no, comment: _____			

b. A difference in site area affects net value.	—	—	—
If yes, comment: _____			

c. Review of the Survey and Surveyor's Certificate reveals encroachments not previously considered	—	—	—
If yes, comment: _____			

d. Encroachments are acceptable and do not affect value and marketability.	—	—	—
If no, comment: _____			

The following encroachments must be removed prior to closing:

f. Flood hazard elevations shown on the survey are consistent with environmental assessment clearance assumptions.	—	—	—
If no, comment: _____			

g. Reprocessing is required because of Survey or Surveyor's Certificate identified issues.	—	—	—
If yes, comment: _____			

	Yes	No	N/A
3. Maintenance agreements have been considered in project operating expense.	___	___	___
a. If no, processing is required.			
b. Comment:			

4. Zoning Compliance is unconditional and is reasonable in its currency.	___	___	___
If no, comment: _____			

5. The lease and is acceptable (leasehold projects only).	___	___	___
If no, the following changes must be made:			

6. Special Conditions of the Commitment, numbered _____, are considered in this review. Required documents have been submitted and found Acceptable for them all.	___	___	___
If no:			
a. Special Conditions numbered _____ have not been satisfied.			
Comment: _____			

b. The following documents must be submitted:			

7. Owner's certification listing all federal/state/local government insurance, loan, grant or subsidy programs in which the project/owner will participate and any grants or below-market loans to be received from non-governmental sources is on file (required for all projects).	___	___	___
a. If no, comment:			

b. If yes, certification is consistent with valuation processing and deed covenant restrictions.	___	___	___
If no, comment: _____			

8. Owner's Sources and Uses of Funds Statement is on file listing: all funds available; all purposes for which funds will be disbursed; and dates any investor contributions are due.	___	___	___

Yes No N/A

If no, comment: _____

9. Deed covenants or other closing documents include low income occupancy and/or rent restrictions. _____

a. If yes:

The basis is: tax credits or tax-exempt bonds (Section 142 d) or tax-exempt bonds (State or local) or local rent restrictions (identify which).

Comment: _____

The deed covenant, and/or other closing document, low-income occupancy and/or rent restrictions are consistent with the IRS tax credit allocation certification, IRS tax-exempt ruling, etc., as applicable, and the assumptions used in valuation processing.

- b. If local rent restrictions, then project assistance is provided in the form of: tax exempt bands or CDGB or land write down. _____

If yes, identify which:

If no, comment: _____

Certification for providing the assistance is included and consistent with the restrictions. _____

If yes, identify form of assistance certification:

If no, comment: _____

- c. More than 40 percent of units are subject to low- income occupancy and/or rent restrictions under tax exempt bond or tax credit financing provisions. _____

If yes, project is assisted by project based Section 8 subsidy or comparable long-term state/local subsidy, or Headquarters approval letter is on file.

The basis is: tax credits or tax-exempt bonds (Section 142 d) or tax-exempt bonds (State or local) or local rent restrictions (identify which).

Comment: _____

	Yes	No	N/A
The deed covenant, and/or other closing document, low-income occupancy and/or rent restrictions are consistent with the IRS tax credit allocation certification, IRS tax-exempt ruling, etc., as applicable, and the assumptions used in valuation processing.	—	—	—
If no, comment: _____ _____			
b. If local rent restrictions, then project assistance is provided in the form of: tax exempt bonds or CDGB or land write down.	—	—	—
If yes, identify which: _____ _____			
If no, comment: _____ _____			
Certification for providing the assistance is included and consistent with the restrictions.	—	—	—
If yes, identify form of assistance certification: _____ _____			
If no, comment: _____ _____			
c. More than 40 percent of units are subject to low- income occupancy and/or rent restrictions under tax exempt bond or tax credit financing provisions.	—	—	—
If yes, project is assisted by project based Section 8 subsidy or comparable long-term state/local subsidy, or Headquarters approval letter is on file.	—	—	—
If yes, identify which: _____ _____			
If no, comment: _____ _____			
10. Title Policy/Endorsement Schedule B Items and/or other identified title exceptions have been considered in project value and marketability or have no effect on them.	—	—	—
If no:			

Yes No N/A

- a. Reprocessing is required, if the following items/exceptions are not removed:

Comment: _____

- b. The following items/exceptions must be removed under any circumstances:

Comment: _____

11. Comments:

APPRAISER

CHIEF APPRAISER

Date

Date

Initial Endorsement Document Review – Housing Programs**12-H**

PROJECT NAME: _____

PROJECTNUMBER: _____

Answer each question. Check N/A only where the document/question is not applicable to the project.

	Yes	No	N/A
1. The commitment issuance and expiration dates are _____ and _____ respectively.			
a. The commitment has been extended	—	—	—
If yes, the new expiration date is: _____			
b. The commitment has been reopened	—	—	—
If yes, the new expiration date is: _____			
c. The commitment has been amended.	—	—	—
If yes, the amendment dates are: _____			
2. The Commitment has been assigned.	—	—	—
If yes:			
a. The new mortgagee is an approved mortgagee and the assignment is acceptable.	—	—	—
If no, comment: _____			

b. Current mortgagee: _____			
Mortgagee number: _____			
c. Previous mortgagee: _____			
Mortgagee number: _____			
3. Special conditions of the Firm Commitment are No. _____ thru _____ inclusively.			
a. Architectural, Cost, Valuation, and Mortgage Credit reviews address Nos. _____, _____, _____ and _____ respectively.			
b. This review considers special conditions Nos. _____. Documents have been submitted and found acceptable for them all.	—	—	—
If no:			

	Yes	No	N/A
c. Special conditions numbered _____ have not been satisfied. Comment: _____ _____			
d. The following documents must be submitted: _____ _____			
e. The following actions have been taken: _____ _____			
4. Request For Permission to Commence Construction Prior to Initial Endorsement for Mortgage Insurance, Form FHA 2415, was executed. If yes:	—	—	—
a. Copies were furnished to Arch and MC, and construction started. If no, comment: _____ _____			
b. All known issues arising from the early start have been reconciled. If no, comment: _____ _____	—	—	—
5. EO 12372 Clearance, if applicable, has been received.			
6. Chronology of Mortgage Transactions, Form FHA 260, is attached. If no, comment: _____ _____	—	—	—
7. Checks in the amount of \$ _____ for _____, and \$ _____ for _____ must be collected at closing.			
8. Owner's certification listing all Federal/State/local government insurance, loan, grant or subsidy programs in which the project/owner will participate and any grants or below market loans to be received from non-government sources is signed and on file (required for all projects). If no, comment: _____ _____	—	—	—
9. The following documents, if applicable, have been signed and returned by the PHA/Owner:			

	Yes	No	N/A
a. Annual Contributions Contract (ACC).	—	—	—
If no, comment: _____			

b. Agreement to Enter into a Housing Assistance Payment Contract (AHAP).	—	—	—
If no, comment: _____			

c. Housing Assistance Payment Contract (HAP).	—	—	—
If no, comment: _____			

d. Low-Income Housing Credit Allocation			
Certification, IRS Form 8609, HQ review, Exhibits 1-7, and owner's			
statement agreeing to notify HUD of any changes.	—	—	—
If no, comment: _____			

e. Owner's Certification That Project Will Not Participate in the Low			
Income Housing Tax Credit (LIHTC) Program.	—	—	—
If no, comment: _____			

f. IRS tax exemption ruling.	—	—	—
If no, comment: _____			

g. Other.			

10. COMMENTS:

PROGRAM REVIEWER _____

SUPERVISOR _____

DATE _____

Secondary Financing Rider**12-I**

THIS RIDER is attached to and made a part of the foregoing note(s) (herein, the "Junior Note") and mortgage(s) or deed(s) of trust (herein, the "Junior Mortgage") between _____, referred to herein as the "Mortgagor," and _____, referred to herein as the "Junior Lender" (Collectively, the "Junior Loan Documents"). The terms and conditions of the Rider supersede the terms of the Junior Loan Documents, and, should there be any conflict or inconsistency between this Rider and the Junior Loan Documents, the terms and conditions of this Rider shall prevail. By acceptance of delivery and recordation of the Junior Loan Documents, the Junior Lender agrees to the following provisions. By execution of the Junior Loan Documents, the Mortgagor agrees to the following provisions:

1. The Junior Loan Documents are specifically subordinate to that certain note and mortgage/deed of trust between the Mortgagor and _____ (herein, the "Senior Mortgage") dated _____ and recorded _____ in the real property records of _____ County, _____.
2. The Junior Note may not mature, and may not bear a maturity date, prior to the date on which the Senior Mortgage matures. The term of the Junior Mortgage may be extended if the Junior Note matures, there are no surplus cash funds available for repayment and the Senior Mortgage has not been retired in full or HUD grants a deferment of amortization or forbearance that results in an extended maturity of the Senior mortgage.
3. The Junior Mortgage may be assumed when a sale or transfer of the physical assets occurs under the following conditions:
 - a. Not more than 70 percent of the net proceeds of the sale or transfer is applied to the reduction of the loan.
 - b. For these instructions, net proceeds are the funds available to the original mortgagor after:
 - i. Correcting any monetary or covenant default on the first mortgage, and
 - ii. Making required contributions to any reserve funds and needed improvements to the property as evidenced by HUD's annual inspection reports.
4. If HUD approves a sale of the project pursuant to HUD guidelines for transfers of physical assets, then Junior Mortgagee will agree to such transfer of the ownership of the project.
5. The Junior Note and Junior Mortgage automatically terminate if HUD acquires title to the project by a deed in lieu of foreclosure.

6. All work performed with the proceeds of the Junior Mortgage must be cost certified and must confirm will Davis-Bacon requirements.
7. The Junior Mortgage is subject to and subordinate to the Senior Mortgage, the HUD Regulatory Agreement between HUD and the Mortgagor and the Building Loan Agreement between the Mortgagor and the Senior Mortgagee.
8. Proceeds of the Junior Loan may only be used to cover allowable project costs or an anticipated operating shortfall.
9. Payment Only From Surplus Cash. Check the appropriate alternative below:
 - a. _____ [For junior loans secured by a lien against the project] As long as the Secretary of Housing and Urban Development, or his/her successors or assigns, is the insurer or holder of the Senior Mortgage, any payments due from project income under the Junior Loan Documents, or any prepayments made, shall be payable only from surplus cash of the project, as that term is defined in the Regulatory Agreement dated _____, 20 __, between the Secretary and the Mortgagor, and subject to the availability of such surplus cash in accordance with the provision of said Regulatory Agreement. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by the Junior Note.
 - b. _____ [For junior loans NOT secured by a lien against the project] As long as the Secretary of Housing and Urban Development, or his/her successors or assigns, is the insurer or holder of the Senior Mortgage, any payment due from project income under the Junior Loan Documents, or any prepayments made, shall be payable only from surplus cash of the project, as that term is defined in the Regulatory Agreement dated _____, 20 __, between the Secretary and Mortgagor, and subject to the availability of such surplus cash in accordance with the provisions of said Regulatory Agreement. The restrictions on payment imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by the Junior Note. Junior Lender has no claim and will not later assert any claim for payment against the mortgaged property, the mortgage proceeds, any reserve or deposit made with the Senior Mortgagee or another required by the Secretary in connection with the mortgage transaction, or against the rents or other income from the mortgaged property. The Mortgagor cannot issue a surplus cash not to the principals as evidence of an obligation for payment of the Junior Loan.
10. Mortgagor has obtained the prior written consent of the Senior Mortgagee to the existence of the Junior Loan.
11. To the extent that the Junior Note provides for payment of principal and interest, such principal and interest shall be due and payable on the maturity date of the Senior Mortgage, provided that if the Senior Mortgage is prepaid in full, the holder of the Junior Note, at its option and without notice, may declare the whole principal sum or any balance thereof, together with interest thereon, immediately due and payable. Interest due

pursuant to the terms of the Junior Note that is not paid in accordance therewith shall not create any default in the terms of the Junior Note, but shall accrue and be payable in full at the date of maturity of the Senior Mortgage.

12. The Junior Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Junior Mortgagee except with the prior written approval of HUD.
13. The Junior Mortgagee certifies that the Junior Loan Documents represent a *bona fide* transaction and that it fully understands all of HUD's requirements for such secondary financing, and that not prepayment of principal or interest shall be accepted without evidence that the Federal Housing Commissioner has authorized such prepayment. If an unauthorized prepayment is accepted, the funds shall be held by the Junior Mortgagee in trust for the project.